

108TH CONGRESS  
1ST SESSION

# H. R. 385

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions to charitable organizations which provide scholarships for children to attend elementary and secondary schools.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2003

Mr. SHADEGG introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions to charitable organizations which provide scholarships for children to attend elementary and secondary schools.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Leave No Child Behind  
5       Tax Credit Act of 2003”.

1 **SEC. 2. CREDIT FOR CONTRIBUTIONS TO CHARITABLE OR-**  
 2 **GANIZATIONS WHICH PROVIDE SCHOLAR-**  
 3 **SHIPS FOR STUDENTS ATTENDING ELEMEN-**  
 4 **TARY AND SECONDARY SCHOOLS.**

5 (a) IN GENERAL.—Subpart B of part IV of sub-  
 6 chapter A of chapter 1 of the Internal Revenue Code of  
 7 1986 is amended by adding at the end the following new  
 8 section:

9 **“SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE**  
 10 **ORGANIZATIONS WHICH PROVIDE SCHOLAR-**  
 11 **SHIPS FOR STUDENTS ATTENDING ELEMEN-**  
 12 **TARY AND SECONDARY SCHOOLS.**

13 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
 14 lowed as a credit against the tax imposed by this chapter  
 15 for the taxable year an amount equal to the qualified char-  
 16 itable contributions of the taxpayer for the taxable year.

17 “(b) MAXIMUM CREDIT.—The credit allowed by sub-  
 18 section (a) for any taxable year shall not exceed \$250  
 19 (\$500, in the case of a joint return).

20 “(c) QUALIFIED CHARITABLE CONTRIBUTION.—For  
 21 purposes of this section—

22 “(1) IN GENERAL.—The term ‘qualified chari-  
 23 table contribution’ means, with respect to any tax-  
 24 able year, the amount allowable as a deduction  
 25 under section 170 (determined without regard to

1 subsection (d)(1)) for cash contributions to a school  
 2 tuition organization.

3 “(2) SCHOOL TUITION ORGANIZATION.—

4 “(A) IN GENERAL.—The term ‘school tui-  
 5 tion organization’ means any organization de-  
 6 scribed in section 170(c)(2) if the annual dis-  
 7 bursements of the organization for elementary  
 8 and secondary school scholarships are normally  
 9 not less than 90 percent of the sum of such or-  
 10 ganization’s annual gross income and contribu-  
 11 tions and gifts.

12 “(B) ELEMENTARY AND SECONDARY  
 13 SCHOOL SCHOLARSHIP.—The term ‘elementary  
 14 and secondary school scholarship’ means any  
 15 scholarship excludable from gross income under  
 16 section 117 for expenses related to education at  
 17 or below the 12th grade.

18 “(d) SPECIAL RULES.—

19 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-  
 20 tion shall be allowed under this chapter for any con-  
 21 tribution for which credit is allowed under this sec-  
 22 tion.

23 “(2) APPLICATION WITH OTHER CREDITS.—  
 24 The credit allowable under subsection (a) for any  
 25 taxable year shall not exceed the excess (if any) of—

1           “(A) the regular tax for the taxable year,  
 2           reduced by the sum of the credits allowable  
 3           under subpart A and the preceding sections of  
 4           this subpart, over

5           “(B) the tentative minimum tax for the  
 6           taxable year.

7           “(3) CONTROLLED GROUPS.—All persons who  
 8           are treated as one employer under subsection (a) or  
 9           (b) of section 52 shall be treated as 1 taxpayer for  
 10          purposes of this section.

11          “(e) ELECTION TO HAVE CREDIT NOT APPLY.—A  
 12          taxpayer may elect to have this section not apply for any  
 13          taxable year.”.

14          (b) CLERICAL AMENDMENT.—The table of sections  
 15          for subpart B of part IV of subchapter A of chapter 1  
 16          of such Code is amended by adding at the end the fol-  
 17          lowing new item:

“Sec. 30B. Credit for contributions to charitable organizations  
 which provide scholarships for students attending  
 elementary and secondary schools.”.

18          (c) EFFECTIVE DATE.—The amendments made by  
 19          this section shall apply to taxable years beginning after  
 20          December 31, 2002.

21       **SEC. 3. CONSTITUTIONAL AUTHORITY.**

22          The Constitutional authority upon which this Act  
 23          rests is the power of Congress to lay and collect taxes and  
 24          to regulate commerce with foreign nations and among the

1 several States and with the Indian tribes, as set forth in  
2 section 8 of Article I of the United States Constitution.

○